

30 November 1972

MEMORANDUM FOR THE RECORD

SUBJECT: Comptroller's Meeting, 29 November 1972

25X1 1. Much of the time of the Comptroller's Meeting yesterday was taken up by discussions about how to absorb the pay increase if it becomes effective in January. Something more than \$2 million can be identified in personal services' money across the Agency and about the same amount is expected to be realized through the remainder of the fiscal year, the total of which could account for about half of the cost to the Agency. In looking for sources elsewhere in the Support Directorate, Mr. Colby asked about the OC "contingency fund" which had been discussed last month and wondered why it did not show up as a deviation this month. [] says that Mr. Colby did not react favorably to having changed the obligation rate to "conceal" these funds. He instructed that these funds should not be reprogrammed without his approval.

25X1 2. Mr. Colby asked whether any savings could be realized by reducing activities at the [] said that DDS is waiting for policy guidance about the projected level of PM activity before attempting to accomplish any reductions. Mr. Colby responded that we couldn't expect to get any more definitive guidance than is available, but he feels we should be looking for economies there. While acknowledging that we can't mothball or close down [] we should nevertheless be looking for ways to reduce staffing. [] suggests that we prepare a proposal for effecting economies []

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3. Attention was also focused on the Headquarters Engineering account and a question was raised about the possibility of deferring any equipment expenditures that might be included or related to that account. No action is required in connection with this one, but it will probably be examined again before we have finished with the identification of sources of funds to offset the pay raise.

4. Audio countermeasures equipment also invited attention, and Mr. Colby instructed that no additional funds be committed until we know where we stand on the pay act costs.

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25X1 5. The [] costs for the Office of Communications has been added to the total amount to be absorbed by the Agency.

6. It is expected that Mr. Colby will meet with the Deputies within the next few days to review the impact of absorbing pay act increases. He will also discuss the expected requirement that the Agency take a five to seven percent personnel reduction in fiscal year 1974.

25X1 7. [] noted that the DDI has listed the NIS program for elimination in FY 1974 if they are required to take the forecast reductions.
25X1 [] suggests that we consider the impact of this proposal on the Printing Services Division.

8. I have passed the information in this memorandum to the Offices of Communications, Logistics and Security.

[]
Chief, DD/S Plans Staff

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